

Kerrville, Texas and the surrounding service area and agree to cooperate in doing so. Licensee shall, on a regular basis, assess the issues of concern to residents of Kerrville and the surrounding area and address those issues in its public service programming. Licensee shall describe those issues and responsive programming and place issues/programs lists in the Station's public inspection file as required by FCC rules. Further, Licensee may request, and Programmer shall provide, information concerning such of Programmer's programs as are responsive to community issues so as to assist Licensee in the satisfaction of its public service programming obligations. Licensee shall also evaluate the local need for children's educational and informational programming and shall inform Programmer of its conclusions in that regard. Licensee, in cooperation with Programmer, will ensure that educational and informational programming for children aged 16 years and younger is broadcast over Station in compliance with applicable FCC requirements. Programmer shall also provide Licensee upon request such other information necessary to enable Licensee to prepare records and reports required by the Commission or other local, state or federal government entities.

Section 4

Indemnification

4.1 Programmer's Indemnification. Programmer shall indemnify and hold harmless Licensee from and against any and all claims, losses, costs, liabilities, damages, expenses, including any FCC fines or forfeitures (including reasonable legal fees and other expenses incidental thereto) of every kind, nature and description, including but not limited to, slander or defamation or otherwise arising out of Programmer's broadcasts and sale of advertising time under this Agreement and the actions and conduct of Programmer's employees acting under this Agreement, the Asset Purchase Agreement and financing agreements with Bankers Trust Company to the extent permitted by law.

4.2 Licensee's Indemnification. Licensee shall indemnify and hold harmless Programmer from and against any and all claims, losses, costs, liabilities, damages, expenses, including any FCC fines or forfeitures (including reasonable legal fees and other expenses incidental thereto) of every kind, nature and description, arising out of broadcasts originated by Licensee pursuant to this Agreement (except insofar as such liability arises from Programmer's gross negligence or willful misconduct) to the extent permitted by law.

4.3 Procedure. Neither Licensee nor Programmer shall be entitled to indemnification pursuant to this section unless such claim for indemnification is asserted in writing delivered

to the other party, together with a statement as to the factual basis for the claim and the amount of the claim. The party making the claim (the "Claimant") shall make available to the other party (the "Indemnitor") the information relied upon by the Claimant to substantiate the claim. With respect to any claim by a third party as to which the Claimant is entitled to seek indemnification hereunder, the Indemnitor shall have the right at its own expense to participate in or assume control of the defense of the claim, and the Claimant shall cooperate fully with the Indemnitor, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant at the request of the Indemnitor. If the Indemnitor does not elect to assume control or participate in the defense of any third party claim, it shall be bound by the results obtained by the Claimant with respect to the claim.

4.4 Time Brokerage Challenge. If this Agreement is challenged at the FCC or in another administrative or judicial forum, whether or not in connection with the Station's license renewal application, counsel for the Licensee and counsel for the Programmer shall jointly defend the Agreement and the parties' performance thereunder throughout all such proceedings. If portions of this Agreement do not receive the approval of the FCC Staff, then the parties shall reform the Agreement as necessary to satisfy the FCC Staff's concerns or seek reversal of the Staff's decision and approval from the full Commission on appeal.

Section 5

Access to Programmer Materials and Correspondence

5.1 Confidential Review. Prior to the broadcast of any programming by Programmer on the Station under this Agreement, Programmer shall acquaint Licensee, upon request, with the nature and type of the programming to be provided. Licensee shall be entitled to review at its discretion from time to time on a confidential basis any of Programmer's programming material it may reasonably request. Programmer shall promptly provide Licensee with copies of all correspondence and complaints received from the public (including any telephone logs of complaints called in), copies of all program logs and promotional materials. However, nothing in this section shall entitle Licensee to review the internal corporate or financial records of Programmer.

5.2 Political Advertising. Programmer shall cooperate with Licensee to assist Licensee in complying with all rules of the FCC regarding political broadcasting. Licensee shall promptly supply to Programmer, and Programmer shall promptly supply to Licensee, such information, including all inquiries concerning the broadcast of political advertising, as may be necessary to comply with FCC rules and policies, including the lowest unit rate, equal opportunities, reasonable access, political file and related requirements of federal law. Licensee, in consultation with Programmer, shall develop a

statement which discloses its political broadcasting policies to political candidates, and Programmer shall follow those policies in the sale of political programming and advertising. In the event that Programmer fails to satisfy the political broadcasting requirements under the Act and the rules and regulations of the FCC and such failure inhibits Licensee in its compliance with the political broadcasting requirements of the FCC, then to the extent reasonably necessary to assure such compliance, Programmer shall either provide rebates to political advertisers or release advertising availabilities to Licensee.

Section 6

Termination and Remedies Upon Default

6.1 Right of Termination. In addition to other remedies available at law or equity, and subject to the requirements of Section 6.2, this Agreement may be terminated as set forth below by either Licensee or Programmer by written notice to the other if the party seeking to terminate is not then in material default or breach hereof, upon the occurrence of any of the following:

(a) by either party upon ninety (90) days' written notice to the other party (provided, however, that in the event of an exercise of the option to purchase the Station (or to acquire or assign the rights and obligations of Licensee under the purchase agreement for the Station) pursuant to the Option Agreement between Licensee and Programmer, notice may be given

concurrently with the notice of exercise of such option, to be effective as set forth in Section 7.11 hereof);

(b) this Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction and such order or decree has become final and no longer subject to further administrative or judicial review;

(c) the other party is in material breach of its obligations hereunder and has failed to cure such breach within thirty (30) days of notice from the non-breaching party;

(d) the mutual consent of both parties;

(e) there has been a material change in FCC rules, policies or precedent that would cause this Agreement to be in violation thereof and such change is in effect and not the subject of an appeal or further administrative review, provided that in such event the parties shall first negotiate in good faith and attempt to agree on an amendment to this Agreement that will provide the parties with a valid, binding and enforceable agreement that conforms to the new FCC rules, policies or precedent; or

(f) by Programmer in accordance with Section 7.11.

6.2 Termination Requirements and Procedures.

(a) Programmer may terminate this Agreement pursuant to Section 6.1(a) of this Agreement only if it

simultaneously pays Licensee an amount equal to six times the monthly compensation due for the month preceding the notice of termination by Programmer as calculated pursuant to Attachment 1.5, provided, however, that any exercise of the option of Programmer or its assignee to purchase the Station (or to acquire or assign the rights and obligations of Licensee under the purchase agreement for the Station) pursuant to the Option Agreement between Programmer and Licensee shall not require any payment hereunder.

(b) Licensee may terminate this Agreement pursuant to Section 6.1(a) of this Agreement only if it simultaneously provides Programmer with a payment to Programmer equal to the aggregate of all payments of principal by the escrow agent described in Attachment 1.5 on behalf of Licensee to Licensee's lender(s) to the extent such payments have been placed in escrow by Programmer.

(c) Unless otherwise mutually agreed by Programmer and Licensee, in the event of a termination of this Agreement by either Programmer or Licensee pursuant to Section 6.1(b), (c) or (e) of this Agreement, Licensee will be liable to Programmer for an amount equal to the aggregate of all payments of principal by the escrow agent described in Attachment 1.5 on behalf of Licensee to Licensee's lender(s) to the extent such payments have been placed in escrow by Programmer.

(d) Subject to Sections 6.1(a) and 7.11, and unless otherwise mutually agreed by Programmer and Licensee, any termination of this Agreement shall become effective sixty (60) days after notice of termination is provided by Programmer or Licensee pursuant to Section 6.1; provided, however, that if such notice of termination is contested by the other party pursuant to Section 7.10 hereof, such termination shall not be effective unless and until (a) there is a final, nonappealable court order pursuant to Section 7.10 permitting such termination, or (b) there is a written decision of an arbitration panel pursuant to Section 7.10 permitting such termination. During such period prior to such termination becoming effective, Programmer and Licensee agree to cooperate in good faith to ensure that such Station operations will continue, to the extent possible, in accordance with the terms of this Agreement and that the termination of this Agreement is effected in a manner that will minimize, to the extent possible, the resulting disruption of the Station's ongoing operations.

6.3 Force Majeure. Any failure or impairment of the Station's facilities or any delay or interruption in the broadcast of programs, or failure at any time to furnish facilities, in whole or in part, for broadcast, due to Acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Licensee, shall not

constitute a breach of this Agreement and Licensee will not be liable to Programmer.

Section 7

Miscellaneous

7.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns. Neither party may assign its rights and obligations under this Agreement without the prior written consent of the other party, such consent not to be unreasonably withheld. In the event of such an assignment or succession in accordance with this Agreement, all references herein to Programmer or Licensee, as the case may be, shall be deemed to refer to such assignee or successor.

7.2 Call Letters. Licensee will consider any reasonable request by Programmer to change the call letters of the Station, it being understood and agreed that Licensee will be responsible for paying all costs associated with any such change in call letters.

7.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

7.4 Entire Agreement. This Agreement and the Attachments hereto, and an Option Agreement between the parties

executed on this date, embody the entire agreement and understanding of the parties and supersede any and all prior agreements, arrangements and understandings relating to matters provided for herein. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement will be effective unless evidenced by an instrument in writing signed by the parties.

7.5 Taxes. Licensee and Programmer shall each pay their own ad valorem taxes, if any, which may be assessed on such party's respective personal property for the periods that such items are owned by such party, provided that such ad valorem taxes assessed on Licensee's personal property used for the operation of the Station shall be included on Attachment 1.6. Programmer shall pay all taxes, if any, to which the consideration specified in Section 1.5 herein is subject, provided that Licensee is responsible for payment of its own income taxes.

7.6 Headings. The headings are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

7.7 Governing Law. The obligations of Licensee and Programmer are subject to applicable federal, state and local law, rules and regulations, including, but not limited to, the Act and the Rules and Regulations of the FCC. The construction

and performance of the Agreement will be governed by the laws of the State of Texas.

7.8 Notices. Any notice, demand or request required or permitted to be given under the provisions of the Agreement shall be in writing and shall be deemed to have been duly delivered on the date of personal delivery or on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, or if delivered by overnight courier, and shall be deemed to have been received on the date of personal delivery or on the date set forth on the return receipt, to the following addresses, or to such other address as any party may request, in the case of Licensee, by notifying Programmer, and in the case of Programmer, by notifying Licensee.

To Programmer:

River City Broadcasting, L.P.
1215 Cole Street
St. Louis, Missouri 63106
Attention: Mr. Larry Marcus

Copy to:

Dow, Lohnes & Albertson
1255 23rd Street, N.W.
Suite 500
Washington, DC 20037
Attention: Kevin F. Reed, Esq.

To Licensee:

KRRT, Inc.
Station WJET-TV
8455 Peach Street
Erie, Pennsylvania 16509
Attention: John Kanzius

Copies to:

Reddy, Begley & Martin
1001 22nd Street, N.W.
Washington, D.C. 20037
Attention: Dennis F. Begley

7.9 Invalidity. If any provision of this Agreement or the application thereof to any person or circumstances shall be held invalid or unenforceable to any extent, the parties shall negotiate in good faith and attempt to agree on an amendment to this Agreement that will provide the parties with substantially the same rights and obligations, to the greatest extent possible, as the original Agreement in valid, binding and enforceable form.

7.10 Arbitration. Subject to Section 2.3 and the last sentence of this Section, in the event of any dispute arising out of or related to this Agreement that Licensee and Programmer are unable to resolve by themselves, the parties hereto expressly consent, agree and submit to commercial arbitration in San Antonio, Texas in accordance with the commercial arbitration rules of the American Arbitration Association. Judgment on the arbitration award, if it is not paid within thirty days, may be entered in any court having jurisdiction over the matter. No action at law or in equity based upon any claim arising out of or

related to this Agreement shall be instituted in any court by Licensee or Programmer against the other except: (i) an action to compel arbitration pursuant to this Section; (ii) an action to enforce the award of the arbitration panel rendered in accordance with this Section; or (iii) subject to the regulatory authority of the FCC (including but not limited to the authority to invalidate or prohibit the enforcement of any contract provision which conflicts with the Act or the rules, regulations or policies of the FCC), a suit for specific performance, injunctive relief or a temporary restraining order to enforce the provisions of this Agreement.

7.11 Sale. In the event Programmer or its assignee exercise their rights under Section 1 of the Option Agreement between Licensee and Programmer, this Agreement shall continue in effect, notwithstanding the delivery of a termination notice by either party, while Programmer or its assignee and Licensee are seeking the consent of the FCC, as contemplated by Section 4 of the Option Agreement. Under those circumstances, this Agreement will terminate upon the consummation of such transaction. In the event such transaction is not consummated, this Agreement shall remain in effect until its termination in accordance with Section 1.2 or Section 6 hereof.

7.12 Mandatory Carriage/Retransmission Consent Election. Licensee shall consult with Programmer prior to making any election of mandatory carriage rights or retransmission

consent pursuant to Section 76.64 of the FCC's Rules and the provisions of the Cable Television Consumer Protection and Competition Act of 1992.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

LICENSEE:

By: _____

PROGRAMMER:

By: _____

Attachment 1.5

[Confidential and Proprietary]

ATTACHMENT 1.2

Programming Contracts Assumed

Attachment 3.1

Broadcast Station Programming Policy Statement

Programmer agrees to cooperate with Licensee in the broadcasting of programs of the highest possible standard of excellence and for this purpose to observe the following regulations in the preparation, writing and broadcasting of its programs.

- I. No Plugola or Payola. Except for commercial messages aired in compliance with 47 C.F.R. § 73.1212, Programmer shall not receive any consideration in money, goods, services, or otherwise, directly or indirectly (including to relatives) from any persons or company for the presentation of any programming over the Station without reporting the same to Licensee's general manager. The commercial mention of any business activity or "plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited.
- II. No Lotteries. Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited.
- III. Election Procedures. At least fifteen (15) days before the start of any primary or election campaign, Programmer will clear with Licensee's general manager the rates Programmer will charge for the time to be sold to candidates for the public office and/or their supporters to make certain that the rates charged are in conformance with applicable law and Station policy.
- IV. Required Announcements. Programmer shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning of each hour to identify KRRT and (ii) any other announcements that may be required by law, regulation, or Licensee policy.
- V. No Illegal Announcements. No announcements or promotion prohibited by federal or state law or regulation shall be made over the Station. Any game, contest, or promotion relating to or to be presented over the Station must be fully stated and explained in advance to Licensee, which reserves the right in its sole discretion to reject any game, contest, or promotion.

VI. Licensee Discretion Paramount. In accordance with the Licensee's responsibility under the Communications Act of 1934, as amended, and the Rules and Regulations of the Federal Communications Commission, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with Station policy or which in Licensee's or its general manager's sole judgment would not serve the public interest.

Licensee may waive any of the foregoing regulations in specific instances, it, in its opinion, the Station will remain in compliance with all applicable laws, rules, regulations and policies and broadcasting in the public interest is served. In any case where questions of policy or interpretation arise, Programmer should submit the same to Licensee for decision before making any commitments in connection therewith.

Attachment 3.6

FORM OF PAYOLA AFFIDAVIT

City of _____)
County of _____) SS:
State of _____)

ANTI-PAYOLA/PLUGOLA AFFIDAVIT

_____, being first duly sworn, deposes and says as follows:

1. He is _____ for _____.
Position
2. He has acted in the above capacity since _____.
3. No matter has been broadcast by Station KRRT for which service, money or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted, by him from any person, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.
4. So far as he is aware, no matter has been broadcast by Station KRRT for which service, money, or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted by Station KRRT or by any independent contractor engaged by Station in furnishing programs, from any person, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.

Affiant

Subscribed and sworn to before me
this _____ day of _____, 19____.

Notary Public

My Commission expires: _____.

Attachment 1.5

Programmer will pay Licensee an advance monthly payment of \$ _____, such payment to be adjusted periodically by the parties in good faith to reflect changes in the Station's operating costs so that Licensee will recover all of its expenses relating to operation of the Station. The monthly payment will also be adjusted to reflect capital expenditures reasonably necessary for the continuation of the broadcast signal. Such payments, which include a monthly principal payment due to _____ as set forth in a letter dated _____, 1994 from Programmer to Licensee, will be paid by Programmer into Licensee's escrow account (appointed by Licensee and _____) prior to the first day of each month for distribution to Licensee and _____. In addition, Programmer will pay Licensee an initial payment of _____ upon execution of the Agreement. Programmer will also pay Licensee subsequent payments of _____ (\$ _____) per month for the first _____ months. Such payments are guaranteed for these first _____ months. This compensation schedule is based upon Licensee making available to Programmer the entirety of the air time not reserved for Licensee pursuant to Section 1.3.

During any option period, Programmer will pay Licensee an advance monthly payment of \$ _____, said payment to be adjusted periodically by the parties in good faith to reflect changes in the Station's operating costs so that Licensee will receive all of its expenses relating to the operation of the Station. The monthly payment will also be adjusted to reflect capital expenditures reasonably necessary for the continuation of the broadcast signal. Such payments, which include a monthly principal payment due to _____ as set forth in a letter dated _____ from Programmer to Licensees, will be paid by Programmer into Licensee's escrow account prior to the first day of each month for distribution to Licensee and _____. In addition, Programmer will pay Licensee subsequent payments of _____ per month.